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Cease-Fire Developments

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Cease-Fire Developments

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[redacted]

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SOUTH VIETNAMCOSVN Orders "Economic Offensive"

In early May, COSVN reportedly ordered all province and district current affairs committees to implement an "economic offensive." As of 5 May, COSVN finance officers had been dispatched to the provinces to assist local Communist officials in the development of plans for establishing commercial relations with provincial and district level leaders of the Saigon government.

The COSVN officials stated that the bulk of North Vietnamese and Viet Cong forces had moved from Cambodia into the border areas of South Vietnam and admitted that some of these troops were short of rice and other foodstuffs. Supplies are reportedly to be purchased and delivered to these units on a priority basis.

COSVN's economic planning has a dual purpose. In addition to resupplying their forces, the Communists also are hoping to disrupt the government's economic system by paying higher prices and causing shortages. The COSVN officials told their subordinates that it will take several years to arrive at a political settlement and developing economic relations can "only benefit us," and that this activity is "better than armed action which is costly and does not assure us of victory."

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CAMBODIA

The Military Situation

The government operation to clear Route 3 south of Phnom Penh began on 18 May. At last report, government troops had advanced about three miles along the highway and were encountering moderate resistance. In the northwest, a government operation to reopen a short section of Route 5 some 35 miles from the capital is scheduled to begin on 19 May. The effort involves nine battalions moving from the south and three battalions advancing from the north. [REDACTED]

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